

INSPECTION WORKLOADS – NEW PRIORITY ITEMS

1. High Priority drilling wells.
2. High Priority plugging and abandonment operations.
3. Federal and Indian production cases rated High to Federal Oil and Gas Royalty Management Act (FOGRMA) criteria.
4. High Priority environmental inspections, Federal and Indian.
5. **High Priority Production inspections on new producing oil and gas wells.**
6. **Cases that have had a change of Operator.**
7. **Inspections during any well production testing occurring during or after High Priority drilling operations but before the well is placed on a producing well status.**
8. High Priority workover operations.
9. Thirty-three (33) percent of the remaining Indian production cases.
10. Thirty-three (33) percent of the remaining Federal production cases.
11. **Interim Reclamation Inspections.**

On Page 3 of the Fiscal Year 2006 (FY 2006) Oil and Gas Inspection and Enforcement (I&E) Strategy Matrices Instructions and Strategy Goals Instruction Memorandum, the inspection workloads are listed in order of priority. Four requirements have been added to this list: items 5, 6, 7, and 11. This section details these requirements:

5. High Priority Production inspections on new producing oil and gas wells.

Production inspections (PI) must be performed on new cases with new wells as soon as possible after the well is completed. This applies only where the case/lease is new and there are new wells.

It is also required, however, to perform additional activities on any existing cases when new producing oil and/or gas wells come online for that case. For example, if a PI has been opened or completed for a case, and during the FY new oil and/or gas wells are added to the case, you must re-open the PI and perform additional activities for the new wells, such as well status check (WS), or measurement activities, etc. Do not open a second production inspection. Simply modify an existing inspection record. If a production inspection on the case is not required or planned for the FY, a Records Verification/Records Review RV/RR should be conducted for the new well(s) to verify production and ensure they are meeting the reporting requirements.

6. Cases that have had a change of Operator.

Inspections are required on cases for each new operator/case combination. The combination of the operator and case identifies the case as an inspection item. When a new operator acquires a case, the case becomes a new inspection item. If the operator is new to your area, or has demonstrated a problem with compliance on other cases, it is essential that an inspection be performed, regardless of whether an inspection was conducted on the former operator/case combination during the current FY.

For example, if an operator/case combination had a PI inspection performed during the FY, and a new operator takes over, you do not want to allow the new operator/case combination to fall into the 3-year rotation. The new operator should be inspected immediately to determine if there are any existing problems that the former operator did not correct, to establish the compliance record for the new operator, to familiarize a new operator with the inspector(s), and to inform the new operator of any local requirements for that case.

This requirement is for cases if the operator is new to your area, has not operated under the Federal regulations before, or has demonstrated a problem with compliance. This does not apply to name changes of an operator. Do not use the compliance record from the previous operator when determining an overall priority for the new operator/case.

7. Inspections during any well production testing occurring during or after High Priority drilling operations but before the well is placed on a producing well status.

During or immediately after drilling operations, the well may be tested for production. During this time, production is occurring but is not currently being accounted for by BLM personnel. A substantial amount of production may occur, and it is essential that this be documented and accounted to completely account for all production from the well. In accordance with the *Minerals Production Reporter Handbook* (MMS/MRM Release 1.0, dated 05/09/01), test production is required to be reported.

TABLE H-1. Well status/well type codes and descriptions

Well status	Offshore code	Onshore code/offshore abbreviation	Description	Comments
Actively Drilling MMS no longer requires this type of well to be reported unless there is test production.	01	DRG DRL *	Use this code when actual drilling operations are being conducted on the last day of the production month. Test production volumes can be reported with this code. The Days Produced field must contain the number zero unless there is test production. The producing interval code must be X01. Injection volumes used during the completion process of a well should not be reported.	*Offshore

Beginning in FY 2006, inspections of production tests will be required during or after drilling operations to verify test production and ensure proper reporting of these volumes to MMS. These inspections will be documented and filed in hardcopy and in AFMSS. The current drilling inspection form generated from AFMSS may be used for hardcopy documentation.

Coding of these inspections in AFMSS will be as follows: AFMSS will be modified to include a new inspection activity of Production Test (**PT**). This activity will be associated with the Drilling (**DW**) inspection type. This will allow the inspection to be conducted on a well-by-well basis and enable the retrieval of data associated with this

activity. Do not open a new drilling well inspection (DW), instead add the PT activity to an existing inspection for the well. You should record only one DW inspection type per well.

11. Interim Reclamation Inspections.

As result of an audit performed by the Office of the Inspector General, it is now required that BLM document the protection of the surface after drilling operations. After drilling operations have been completed, a portion of the pad location is normally reclaimed (reseeded, recontoured, and so on). It is important to document our inspection of the reclaimed area to ensure the environment is protected and the area is being properly revegetated.

AFMSS will be modified to include new inspection activity to indicate that the interim reclamation area is being inspected and the area is in compliance with reclamation stipulations. The activity code will be Interim Reclamation (IR) and will be associated with the Environmental Surface (ES) inspection type. This activity should be performed by the Environmental Specialist and should be ongoing during the production phase of the well. The initial inspection must occur within 6 months after the area is reclaimed, and every 3 years thereafter. Examples of coding these inspections: The environmental inspection type of ES is used with the activity of SP for the general surface review. The IR code will also be recorded to indicate the interim reclamation portion of the location was inspected as well (ES/SP, IR). The IR code must also be used with the surface/environmental reclamation inspections after the well has been abandoned and surface reclamation is ongoing (ES/SA, IR).

Work is under way to make the modifications needed to AFMSS to add the new codes mentioned in this section. There is no timeframe established at this time. Information will be sent via email when the codes are available for use. Until such time, manually track the new codes so they may be entered at a later date.